

## **FORMAL CASE WORKING GROUP ALTERNATIVE RATE CASE MODEL AND POTENTIAL TIMELINE**

### **A. Overview**

Consistent with the overall goal of the Case Efficiency Roundtable, a number of utilities have developed an alternative model for processing general rate case proceedings in what we believe would be a more efficient and effective manner. To that end, the rate case model presented below has been designed with several purposes in mind:

- First, our rate case model seeks to make material improvements to the quality, relevance and usefulness of the pre-filed testimony that the Commission must consider in processing a general rate case. It does so by making two major modifications to the process. The first modification is geared at substantially reducing the volume of direct testimony that is usually filed in a general rate case proceeding – testimony that in many instances becomes completely irrelevant to the issues the Commission must ultimately decide. The second change is aimed at reducing the rounds of testimony filed in a general rate case proceeding, from 3 rounds to 2 rounds for the moving party, and from 3 rounds to 1 round for responding parties; an approach that is already used by the Commission for other proceedings and reflected in its rules and by the broader legal community. If implemented, such reforms will cut down significantly on repetitive or irrelevant testimony, make for a more concise presentation of evidence, and enable both the Commission and other parties to consult only one piece of testimony in order to obtain a party's entire evidentiary presentation on an issue.
- Second, our rate case model seeks to fully protect the due process rights of all stakeholders in the rate making process. It does so by recommending procedures for the pre-filing of testimony that are consistent with those used by the Commission in other major rate proceedings and that follow the order of evidentiary presentations that most courts and many commissions have long deemed sufficient to protect the due process rights of the parties participating in their proceedings. It also seeks to promote the due process rights of parties in the discovery process by expediting the provision of information that Staff and Public Counsel require to conduct their audit and formulate their positions.
- Third, our rate case model seeks to narrow the range and number of the procedural and substantive issues that come before the Commission. It does so by: (a) encouraging pre-rate case meetings; (b) using Staff's revenue requirement model for purposes of filing the utility's case; (c) formalizing in advance the parameters for establishing test year and update periods in each case; and (d) making use of technical conferences in advance of testimony filings to dispose of calculation errors and resolve issues and discovery disputes.

- Fourth, by introducing these efficiencies and taking advantage of the dramatic improvements that have been made over the past half century in the ability of parties to obtain, manage and review information, our rate case model seeks to reduce the amount the time it takes to process most rate cases. Such reductions are modest and in line with the timeframes that other jurisdictions have deemed sufficient to process such cases.

In addition to discussing the more significant ways in which this alternative model varies from the current process, the presentation also provides a timeline of how a rate case would be conducted under the model. Where appropriate, questions aimed at generating additional discussion on key decision points have also been included.

## **B. Major Enhancements to and Variations From Current Process**

1. While not required, companies seeking to file general rate case requests would be encouraged to hold pre-filing meetings with the Staff and OPC for purposes of advising them on the estimated amount of the rate request, key drivers for the request, the anticipated filing date, and an indication of whether a true-up period would be necessary.
2. A standard set of data requests would be established that companies would be required to answer within two weeks of their formal rate case filings.
3. A defined test year and update period geared to the date of the formal rate case filing would be instituted by rule. Test years, for example, could be established at a date no later than the end of the second most recent month preceding the filing while the update period could run through the end of the first month following the date of the filing (e.g. a rate case filed on August 15<sup>th</sup> would have a test year ending no later than May 30<sup>th</sup> and would be updated through September 30<sup>th</sup>). Both the test year and update period could be changed through agreement of the parties. Knowing the update period in advance, along with having earlier knowledge of rate case aspects and additional data request information (items 1 and 2 above), should give the Staff the ability to schedule necessary resources more efficiently and to arrive in the field at an earlier date.
4. Require that utilities wishing to use the shortened rate case process to file with the MFR their accounting schedules using Staff's revenue requirement model. This would facilitate reconciliation, provide for earlier identification of philosophical differences versus calculation differences and possible errors, and should make Staff's audit of a company's filing easier and quicker to perform.
5. Minimize the amount of Company direct testimony. Direct testimony would include overall policy, special recommendations, key drivers of the case and identify Company witnesses but would not go through the minutiae of explaining each pro forma adjustment included in the accounting schedules. Accounting schedules would be the primary support for the Company's direct case. Currently, direct testimony is given little notice in the rate case process. The additional narrative discussion of how adjustments were made that is now included in direct testimony would be included in workpapers, all of which would be submitted to Staff and Public Counsel at the time the initial filing is made.

6. Consistent with Commission Rule 4 CSR 240-2.130 (7) (C) and (D), the company, as the moving party, would file direct testimony consistent with the above standards. Staff, OPC and Intervenors would file rebuttal testimony explaining why they reject, disagree or propose an alternative to the company's filing. The company and other parties would then file surrebuttal testimony in response to the rebuttal filings of other parties. If necessary, these rules could be supplemented to ensure that: (a) Staff and other parties are not limited to responding to the company's direct testimony per se, but may include other adjustments that they believe should have been made, and that (b) the company has a full opportunity in its surrebuttal testimony to explain why its position on a contested issue is more appropriate than the alternative recommended in rebuttal testimony. Such an approach should allow non-company parties to focus their review on the Company's filing along with general audit review steps such as review of year-to-year variances. Such an approach should also facilitate the audit process and reduce data requests, which in turn might allow for consideration of shortening the data response time.
7. At a point approximately one month in advance of the due date for Staff and other parties to file their testimony, a technical conference should be held. The technical conference would focus on the comparison of accounting schedules among the parties and identification of the reasons for differences. Errors could be corrected at this point rather than consuming valuable time later in the process. By permitting a clarification of what items represent real issues and what items are the result of calculation or other data errors, such an approach should enable all parties to make corrections to their accounting schedules and resolve some issues in advance of testimony preparation. An alternative would be to hold two technical conferences – one earlier in the process to insure understanding of the Company's accounting records and accounting schedules, to clarify responses to data requests and other information provided, and to correct any early errors identified. A second technical conference a week or two before the due date for filing of testimony could allow for more complete discussion of the various parties' cases. This conference could be used not only for clarification and understanding, but for more focused settlement of some of the issues identified.

**C. Timeline for Alternative Model**

The next page shows the potential impact and ability to shorten the ratemaking process by up to three months if the above concepts were put into place:

<b>Alternative Schedule</b>	<b>Comment</b>
Test year – 2/28/2003	
Pre-filing meetings with Staff and OPC	
Filing – 4/7/2003	Filing date could vary but is the date that begins the overall timeline
Scheduling conference – 4/18/2003	Having had pre-filing meetings, the scheduling conference should be facilitated
Responses to first 100 DRs – 4/21/2003	Should allow other parties to get a quick start and cut down on overall audit time
Staff in field – 4/21/2003	Pre-filing meetings facilitate scheduling and establishment of updated test year by rule would allow Staff ability to arrive in field earlier
Updated test year – 5/31/2003	Could be set by rule to be EOM of second month following formal filing
Technical conference/Issue Reconciliation – 7/07/2003	Should reduce up front the error resolution process and minimize other parties testimony preparation time
Local Hearings	
Rebuttal Testimony – 7/14/2003 (Rev. Req.) 7/21/2003 (Rate Design)	Staff no longer required to spend as much audit time and effort in preparing a direct case if it is made clear that their rebuttal testimony is allowed to address issues or adjustments that Company may not have included in their direct
Settlement Conference 7/28-31/2003	
Surrebuttal Testimony – 8/25/2003	
Evidentiary Hearing/True Up hearing if necessary – 9/15/2003 thru 9/26/2003	
Briefs – 10/17/2003	
Reply Briefs – 10/27/2003	
Issue Report and Order – December 2, 2003	
Effective Date of Order – December 12, 2003	

## PROPOSAL

by Staff members of the Formal Rate Case Workgroup

### Assumptions:

Commission already has a good regulatory process that could be improved with some modification.

The formal rate case workgroup is looking to identify, in the current process, ways to make the rate case process more efficient for Commission review and deliberation of issues.

This proposal maintains the timeliness and effectiveness of the process.

This proposal allows all parties to analyze, review, reach conclusions, and make and defend recommendations regarding a utility's rate case.

The primary objective of this proposal is not to shorten the time to implement rates from the statutory eleven months.

This proposal streamlines the process while retaining all parties' existing rights of due process and everyone's ability to review the utility's rate application and make its own

case with alternative proposals. The existing timeframe for implementing rates is maintained.

This proposal allows for timely deliberations by the Commission. Efficiencies are realized throughout the process resulting in an earlier start of deliberations. Closing statements on the last day of the hearings and initial and reply briefs help to facilitate the start of deliberations.

The Staff members' proposal meets specific needs in the following manner:

- It creates opportunities using a Technical Conference and a preliminary reconciliation to identify, quantify, and resolve differences and issues among the parties as soon as possible, which streamlines the process for the Commission.
- It introduces a Settlement Conference as a forum for the parties to address and resolve significant issues, which will eliminate unnecessary preparation by the Commission.
- It introduces a filed Pre-Trial Issue Summary and Reconciliation, which will clarify the impact (in a quantifiable summary) and enhance review of the outstanding issues by the Commission.
- It introduces a requirement that the parties reference in Surrebuttal testimony all relevant arguments supporting the party's positions, which reduces the difficulty of examining the issues by the Commission.

A corresponding timeline, in approximate days from the utility rate case filing, is attached.

Recommendations:

- Recommend that the Commission consider scheduling more than one hearing at a time to address ease of scheduling hearings.
- Recommend that the Company use Staff's model for cost of service (the EMS model), to facilitate reconciliation.
- Recommend that the test year will be a historical twelve-month period ending on a quarter March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup> or December 31<sup>st</sup>. Consideration should be given to using the test year for electric filings as the most recent calendar year ending December 31<sup>st</sup> and for natural gas filings as the most recent fiscal year ending June 30<sup>th</sup>; thus, allowing the use of a test year, which keeps cooling and heating seasons consistent within 12 months of information.
- Recommend that the Staff will develop a standard set of DR's, which will be tailored to each industry.

- Recommend that each party's initial filing will include testimony giving its overview of the case.
- Recommend that each witness' direct testimony (All parties, including the Company) will follow a format that facilitates a quick review of the subject matter, placing experience and qualifications on Schedule 1, attached to their direct testimony. Once the witness identifies themselves, the next Q & A will be the identification of the issues in their testimony and, if quantifiable, the impact of the issue.
- Recommend that the parties will file testimony based on Company's test year and ordered updates.
- Recommend that the following timeline be implemented.

Timeline:

I. Prior to the Company's filing:

1. At least two weeks prior to Utility rate application filing, a Pre-filing Conference is held with the Company, Staff and Office of Public Counsel to discuss the various aspects of company filing and need to increase rates and the timing of such changes, i.e., new



plant addition, fuel price increase, payroll increase, etc. The parties will also discuss the need for, and period of, an update or true-up.

II. At the time of the Company's direct filing:

1. Company will file full support of its case in its direct testimony.
2. Company will supply all supporting work papers necessary to justify its direct filing, including data for revenues, sales, and billing units by rate code.
3. Company will identify its recommendation for an update period and true-up, if necessary.

III. After Company's filing of case:

1. The Company will provide responses to Staff's standard DR's within twenty days of filing.
2. The procedural schedule will be discussed by phone and through e-mail for the parties' convenience and will be filed no later than ten days after the close of intervention date. No early pre-hearing conference is necessary.

3. A Technical Conference will be scheduled, approximately four weeks prior to the filing of direct testimony by other parties. This conference is primarily for rate design and tariff issues but could also be used to discuss revenue requirement issues, if needed. Agreement among parties of disposing of issues would be binding among the parties.

3. All parties will supply within twenty-four hours of testimony filing all work papers supporting their respective case filings.

4. Three days after other parties file their direct testimony, Staff will provide a preliminary reconciliation to the Company and other parties. Between four and fourteen days after direct filing of the other parties, discussions will take place to identify errors, omissions and calculation concerns (number problems).

5. Two weeks after other parties file direct testimony, a Settlement Conference (replacing pre-hearing conference) will be held with all parties. This is a way for the parties to work out the differences between their positions. There is no need to go on the record.

6. All parties file rebuttal testimony, approximately three weeks following the Settlement Conference and three weeks prior to Surrebuttal Testimony.

7. Approximately two weeks prior to the start of the hearings all parties will file surrebuttal testimony. Each witness' surrebuttal testimony will reference the pages of

their direct and rebuttal testimony on each issue addressed. Each witness will provide an executive summary identifying conclusions and recommendations.

8. Pre-trial Issue Summary and Reconciliation will be filed approximately one week prior to hearings, that identifies issue, witnesses and pages of the respective testimony (direct, rebuttal and surrebuttal) for each issue. This filing will serve as “road map” for the Commission during the course of the hearings.

#### IV. Hearings:

1. The on record closing statements will be made at the end of the hearings.
2. Parties will file Initial brief and Reply brief.

## PROCEDURAL SCHEDULE TIME LINE

Pre-filing conference with Staff and OPC

Day 1	Company filing with direct testimony
Day 2	Company supplies workpapers supporting tariff filing. Standard set of data requests issued with responses due 20 days after issuance.
Day 10	Issue Suspension Order
Day 40	Intervention date.
Day 50	Procedural Scheduling Conference (no later than 10 days after close of intervention date)
Day 132	Technical Conference (4 weeks prior to direct filing of other parties)
Day 155	Direct filing other Parties – Revenue Requirement
Day 162	Direct filing other Parties – Rate Design
Day 158	Reconciliation—preliminary (completed 3 days after direct filing)
Day 169	Settlement Conference (replaces prehearing conference) 2 weeks after direct filing
Day 190	Rebuttal (3 weeks after settlement conference)
Day 211	Surrebuttal (3 weeks after rebuttal)
Day 218	Pre-trial Issue Summary and Reconciliation filed jointly one week prior to hearings
Day 218	Statement of Position filed one week prior to hearings
Days 225-237	Hearings (Typically two weeks long-three weeks after surrebuttal)
Day 242	Hearing Transcripts (expedited basis—5 days at close of hearings)
Day 260	Briefs
Day 270	Reply Briefs
Day 320	Issue Report and Order –10 days prior to effective date
11 Months	Effective Date of Order

Local Public Hearings scheduled within time frame above

True-Up Testimony (limited to true-up items) and True-Up hearing if necessary

(typically 2 days) would have to be worked in schedule if necessary.

These typically would occur after the Hearings have been concluded.

**FORMAL RATE CASE WORKING GROUP  
AMEREN'S POSITION ON STAFF/LACLEDE/OPC PROPOSALS**

1. Ameren supports the use of prefiling meetings between the Company, Staff and OPC to explain the drivers of the rate case.
2. Ameren agrees that the development of a standard set of data requests for each industry would be helpful. The utility should have 20 days to respond to the standard set of data requests, and parties should be precluded from submitting additional data requests during that period.
3. Ameren supports the use of standard test years and update periods. The standard test year should provide as current information as possible given the timing of the closing of the Company's books for that period. The utility should be permitted to adjust the standard update period if necessary to pick up significant items, such as major plant additions or wage increases. The utility should still be permitted to request a true-up of selected items after the update period.
4. Ameren supports Laclede's proposal to shorten the period for processing rate cases. However, the length of time necessary to process any particular rate proceeding will depend on the number and complexity of the issues involved.
5. Ameren supports the reduction of the rounds of testimony from 6 rounds to 3. The utility, which bears the burden of proof in a rate case, should file direct testimony fully supporting its filing. The other parties should have the opportunity to file rebuttal testimony, and the utility should have the opportunity to file surrebuttal testimony. This is consistent with the Missouri civil practice, which typically permits the party bearing the burden of proof to open and close in a trial.
6. Ameren opposes the requirement that utilities use the Staff's EMS model to develop their cost of service. The Staff's EMS model is currently in development, and Staff has expressed satisfaction with Ameren's existing EMS model.
7. Ameren supports the use of settlement conferences, which may be run by a settlement judge, in advance of the hearing. We also support the use of technical conferences in advance of the hearing to narrow the issues and develop a "road map" document for the Commission which concisely explains what issues remain unresolved, and identifies the prefiled testimony that relates to those issues.
8. Ameren supports the use of closing statements at the end of contested hearings, which will facilitate the Commission's deliberations immediately following the hearing, while the issues are fresh in their minds. However, Ameren believes it is

also necessary to permit both initial and reply briefs, subject to reasonable page limitations.

FORMAL RATE CASE/ COMPLAINT CASE WORKGROUP  
Missouri Energy Group

The Missouri Energy Group [or intervenors, or many parties, or whatever other groups who have indicated their interest in this topic] has requested a timeline for over-earnings complaint cases which closely follows the timeline for formal rate cases.

FORMAL RATE CASE / COMPLAINT CASE WORKGROUP  
OPC DRAFT

Assumptions and Discussion:

The purpose of the formal rate case workgroup is to develop a more efficient process for the Commission that provides the parties to a case their due process rights in a manner that allows for a level playing field and provides fair opportunity for each party. The primary objective is not necessarily to shorten the time to implement rates from the statutory eleven months.

Commission already has a good regulatory process that could be improved with some modification. The formal rate case workgroup is looking to identify in the current process ways to make the rate case process more efficient for Commission review and deliberation of issues and avoid unnecessary work regarding non-contested issues, i.e., issues not requiring Commission decision.

The ability to present the Commission with a record that facilitates the decision process is a reasonable goal. If improvement can be identified and implemented to achieve this goal, a by-product may be a shorter effective processing time for rate changes. However, a shorter time-frame in and of itself could result in compromising the rights of parties and over-riding requirement to set just and reasonable rates.

The current process provides the necessary flexibility to address changing circumstances and minimizing regulatory lag in the regulatory process. A historic test year is critical to the process in that it provides for auditable and verifiable information on which a matching of revenues, expenses, and investment can occur. In addition, the statutory requirement of electric generation plant being in-service serves to underscore the need to flexibility to minimize regulatory lag. Proposals focused on shortening the regulatory decision process result in significantly increasing the regulatory lag, especially in the electric industry.

Changes to the current process should only be made if the legal rights of all parties are protected. The absence of evidence in the record would greatly diminish that protection to the detriment of ratepayers or companies. Changes to the existing testimony filings could result in a party or witnesses position being consolidated into a single document on an issue. Other changes to the process could serve to focus the parties on achieving results in a more efficient manner.

Recommendations:

- Recommend that the Commission consider scheduling more than one hearing at a time to address ease of scheduling hearings.



- Recommend that the Company use Staff's model for cost of service (the EMS model), to facilitate reconciliation and consistent presentation to the Commission.
- Recommend that the test year will be a historical twelve-month period ending on a quarter March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup> or December 31<sup>st</sup>. Consideration should be given to using the test year for electric filings as the most recent calendar year ending December 31<sup>st</sup> and for natural gas filings as the most recent fiscal year ending June 30<sup>th</sup>; thus, allowing the use of a test year, which keeps cooling and heating seasons consistent within 12 months of information.
- Recommend that the Staff will develop a standard set of DR's, which will be tailored to each industry.
- Recommend that each party's direct filing will include testimony giving its overview of the case.
- Recommend that each witness' direct testimony (All parties, including the Company) will follow a format that facilitates a quick review of the subject matter, placing experience and qualifications on Schedule 1, attached to their direct testimony. Once the witness identifies themselves, the next Q & A will be the identification of the issues in their testimony and, if quantifiable, the impact of the issue.
- Recommend that the parties will file testimony based on Company's test year and ordered updates.
- Recommend that a process be developed so that the Commission is presented with a consolidated document containing all evidence a party is placing into evidence on a contested issue. This should be easily accomplished with word processing software.
- Recommend that the following timeline be implemented.

#### Timeline:

##### I. Prior to the Company's filing:

1. At least two weeks prior to Utility rate application filing, a Pre-filing Conference is held with the Company, Staff and Office of Public Counsel to discuss the various aspects of company filing and need to increase rates and the timing of such changes, i.e., new plant addition, fuel price increase, payroll increase, etc. The parties will also discuss the need for, and period of, an update or true-up.

##### II. At the time of the Company's direct filing:

1. Company will file full support of its case in its direct testimony.
2. Company will supply all supporting work papers necessary to justify its direct filing, including data for revenues, sales, and billing units by rate code, to support its direct filing.
3. Company will identify its recommendation for an update period and true-up, if necessary.

### III. After Company's filing of case:

1. The Company will provide responses to Staff's standard DR's within twenty days of filing.
2. A meeting will be set to discuss the procedural schedule by phone or in person within 5 days after the intervention period ends and will be filed no later than ten days after the close of intervention date. This meeting does not need to be a "pre-hearing" requiring a ALJ or record.
3. A Technical Conference will be scheduled, approximately four weeks prior to the filing of direct testimony by other parties. This conference is primarily for rate design and tariff issues but could also be used to discuss revenue requirement issues, if needed. Agreement among parties disposing of issues would be binding among the parties. The parties shall file with the Commission a list of disposed of issues two weeks prior to the filing of direct testimony by other parties.
3. All parties will supply within twenty-four hours of testimony filing all work papers supporting their respective case filings.
4. Three days after other parties file their direct testimony, Staff will provide a reconciliation to the Company and other parties. Between four and fourteen days after direct filing of the other parties, discussions will take place to identify errors, omissions and calculation concerns (number problems).
5. Two weeks after other parties file direct testimony, a Settlement Conference (replacing pre-hearing conference) will be held with all parties. This is a way for the parties to work out the differences between their positions. There is no need to go on the record. The Commission shall set the time and duration of this Settlement Conference and shall require the parties to file a list of contested issues on which the parties may file rebuttal and surrebuttal testimony. This Settlement Conference should not be expected to exceed 5 days in length.
6. All parties file rebuttal testimony.
7. Approximately two weeks prior to the start of the hearings all parties will file surrebuttal testimony. Each witness' surrebuttal testimony will reference the pages of

their direct and rebuttal testimony on each issue addressed or in the alternative, attach copies of the relevant pages of direct and rebuttal testimony and attachments. Each witness will provide an executive summary identifying conclusions and recommendations.

8. Pre-trial Issue Summary and Reconciliation will be filed approximately one week prior to hearings, that identifies issue, witnesses and pages of the respective testimony (direct, rebuttal and surrebuttal) for each issue. This filing will serve as “road map” for the Commission during the course of the hearings.

#### IV. Hearings:

1. The on record closing statements will be made at the end of the hearings.
2. Parties will file Initial brief and Reply brief.

FORMAL RATE CASE / COMPLAINT CASE WORKGROUP  
SWC DRAFT

Assumptions:

Commission already has a good regulatory process that could be improved with some modification. My sense of the earlier discussions is that the Commission is frustrated that the “real” issues in the case are not identified sooner and that they have the ability to understand the value or significance of the issues at an earlier point in time.

I also sensed that there was support for a process that would provide a better structure for settlement of issues. The present process has already run into the hearing process (and that probably cannot be fully prevented since the law favors settlement).

This process could shorten the length of the hearings themselves, but the Commission must also understand that bench questions do prolong the hearing process beyond that often contemplated by the parties. While we support the Commissioners’ right to inquire, that right comes with responsibility for having impact on the length of the hearing itself.

We agree that the purpose of the formal rate case workgroup appears to be to suggest a more efficient process for the Commission that provides the parties to a case their due process rights in a manner that allows for a level playing field and provides fair opportunity for each party. Proposals that are driven solely by a desire to shorten the process typically do not achieve the stated objectives. The primary objective is not necessarily to shorten the time to implement rates from the statutory eleven months.

Recommendations:

- The utility and the Staff should agree in advance on a cost of service model that would be consistently used and facilitate reconciliation of the case. All parties should be provided access to that model, as they require.
- Recommend that the test year will be a historical twelve-month period ending on a quarter March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup> or December 31<sup>st</sup>. Consideration should be given to using the test year for electric filings as the most recent calendar year ending December 31<sup>st</sup> and for natural gas filings as the most recent fiscal year ending June 30<sup>th</sup>; thus, allowing the use of a test year, which keeps cooling and heating seasons consistent within 12 months of information.
- Staff should develop a standard set of data requests for each industry.
- We have reviewed the recommendations regarding shortening the utility’s direct testimony. I think that, rather, expanding the role of direct and being certain that it is accompanied by all workpapers, accounting records and support would move the process forward. It would also help identification of issues as well as identify possible areas for resolution. Thus the utility’s direct testimony should fully

explain its case, justify it, and also provide testimony explaining or justifying any “unusual” accounting treatment that is being recommended in the case. Items should be flagged that depart from GAAP. The utility has as much time as it needs to prepare this testimony in advance of filing, so there should be no reason that the case cannot be set out in that round of testimony.

- Other parties’ direct should provide justification and support for their proposed adjustments, but not necessarily directly address company direct in this round. Workpapers should be provided.
- As much as practically possible, all materials should be made available to all parties in electronic form and should be distributed in that manner.
- Recommend that the parties will file testimony based on Company’s test year and ordered updates.

#### Timeline:

##### I. Prior to the Company’s formal filing:

1. At least two months prior to its intended filing date the utility would provide “Notice of Intent to File Rate Case” to Staff, OPC and to all parties or representatives of parties that participated in the utility’s last formal rate case. This would not bind company to file, but would necessarily be a precursor to a formal filing. Staff and OPC would then schedule a pre-filing conference (with notice to the other parties) not less than two weeks prior to Utility rate formal application filing. At this conference any major items could be discussed, preliminary schedule issues worked out as well as the possible need for true up and test year discussions.

##### II. At the time of the Company’s direct filing:

1. Company will file full support of its case in its direct testimony.
2. Company will supply all supporting work papers necessary to justify its direct filing, including data for revenues, sales, and billing units by rate code, to support its direct filing.
3. Company will identify its recommendation for an update period and true-up, if necessary.

##### III. After Company’s formal filing of case:

1. The Commission will issue a standard suspension order for the full statutory period, identify the date for intervention and adopt a standard protective order.
2. The Company will provide responses to Staff's standard DR's within twenty days of filing.
3. All timely and unopposed applications to intervene are deemed granted. If there are no disputed interventions, no "early prehearing" will be scheduled, but the parties will discuss the procedural schedule by phone and through e-mail for the parties' convenience and will be filed no later than ten days after the close of intervention date.
4. If there are disputed interventions, a prehearing conference will be called on appropriate notice to resolve them.
5. Upon resolution of the parties to the case, the hearing examiner will issue an order assigning blocks of exhibit numbers to the parties. Presumptively the utility would use Nos. 1-99, Staff would use 100-199, OPC 200-299. Other parties would be assigned similar blocks of number so that exhibits could be pre-marked.
6. A Technical Conference will be scheduled, approximately four weeks prior to the filing of direct testimony by other parties. The purpose of this conference is to seek to resolve "issues of misunderstanding" or "number busts" or access issues in an attempt to prevent needless testimony disputes. The conference could also be used to resolve issues that could be settled at this point. All issues would be open for discussion. Agreement by all parties to dispose of particular issues would remove them from the case.
7. All parties will supply within twenty-four hours of testimony filing all work papers supporting their respective case filings. The work papers would not be filed with the Commission at this time.
8. Three days after other parties file their direct testimony, Staff will provide a reconciliation to the Company and other parties. Between four and fourteen days after direct filing of the other parties, a second technical conference will be held, possibly by telephone, to identify errors, omissions and calculation concerns (number problems) and "misunderstandings."
9. Following the case reconciliation the period for responses to data requests will change from 20 to 10 days. All parties will circulate their data requests to all other parties which parties will then be free to request copies of relevant responses. A responding party may reference an earlier response in its response but should be prepared to provide a copy of that response if the requesting party does not have immediate access to it.

10. Two weeks after other parties file direct testimony, a Settlement Conference (replacing pre-hearing conference) will be held with all parties. This is a way for the parties to work out the differences between their positions. This conference would need to be noticed by Staff but would not be “on the record” and there would be no need to involve a hearing examiner in the process.
11. All parties file rebuttal testimony.
12. Approximately two weeks after rebuttal testimony all parties will file surrebuttal testimony. Each witness’ surrebuttal testimony will reference the pages of their direct and rebuttal testimony on each issue addressed. Each witness will provide an executive summary identifying conclusions and recommendations.
13. Essentially concurrently with the filing of surrebuttal a prehearing conference will be held (possibly a telephone conference) at which times order of witnesses, cross-examination, witness scheduling issues and other “housekeeping” matters would be resolved. The assigned hearing examiner would convene this conference but would not itself be on the record except that the outcome would be reported to the hearing examiner in a manner and time they thought appropriate.
14. At the prehearing conference the parties would be invited to request a settlement judge be assigned to mediate disputes regarding particular issues. This settlement judge would be a hearing examiner other than the one assigned to the case and would not hear evidence but would rather seek to mediate the parties’ positions on the selected issues.
15. If a settlement judge were utilized, that process would convene promptly after the conclusion of the prehearing conference and would generally consist of a standard mediation format as determined by the settlement judge recognizing that speed in resolution of the dispute would facilitate issue identification. Resolution of disputes would be memorialized in a manner directed by the settlement judge. The settlement judge would be permitted to communicate with the assigned hearing examiner only as regards the status of the mediation and would not be permitted to discuss or disclose any positions or statements by the parties or any other substantive material save the identification of issues that have been resolved and the manner in which they have been resolved.
16. Pre-trial Issue Summary and Reconciliation will be filed approximately two week prior to hearings, that identifies issue, witnesses and pages of the respective testimony (direct, rebuttal and surrebuttal) for each issue. This filing will serve as “road map” for the Commission during the course of the hearings.
17. Those parties wishing to do so could submit position statements briefly stating their positions and rationales for those positions on any issues identified. These position statements should identify the issue using the same denomination for that

issue as on the issue summary, but may restate or reword the issue as desired by that party.

#### IV. Hearings:

1. Parties should expect to make brief opening statements of their positions summarizing their positions on any of the issues, but failure to take a position on an issue at this stage will not operate as a waiver of that party's ability to later state a position or brief the issue.
2. The on record closing statements will be made at the end of the hearings, but are not required.
3. Parties will file Initial brief and Reply briefs.





# Formal Rate Case Workgroup

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Missouri PSC  
Case Efficiency Roundtable  
May 26, 2004



# Formal Rate Case Workgroup

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- Workgroup Members:

(Intervenors) Stu Conrad, Lisa Langeneckert, (Office of Public Counsel) Ruth O'Neill, Russ Trippensee, (Industry) Mike Pedergrast, Glenn Buck, Dan Danahy, Gary Weiss, Tom Byrne, Denny Williams, Tim Rush, Leo Bub, Ed Grub, (Staff) Bob Schallenberg, Joan Wandel, Lisa Kremer, Dale Johansen, Steve Rackers, Greg Meyer, Cary Featherstone, Janis Fischer, Lena Mantle, James Watkins, Tom Imhoff, Mike Scheperle, and Rosella Schad

- Proposals reflect the views of individual members and are not representative of Company, Office of Public Counsel, or Staff



# Formal Rate Case Workgroup

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- The Roundtable discussion focused on how the Formal Rate Case process may be modified to better meet the current needs of all involved parties.
- The specific needs identified were improved efficiency of the Formal Rate Case process for Commission review and deliberation of issues



## Formal Rate Case Workgroup

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- Four areas dominating the Roundtable discussion became the focus of the Formal Rate Case Workgroup:
  - ❖ Commission Rules- Process Defined, Minimum Filing Requirements (Commission Rules can be found at <http://www.sos.mo.gov/adrules/csr/current/4csr/4csr.asp#4-240>)
  - ❖ Discovery- Data Request System, Use of Depositions, Use of Interrogatories
  - ❖ Timelines- Formal Rate Case/Complaint Case Filings
  - ❖ Testimony- Development and Progression



# Formal Rate Case Workgroup

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- Recommendations
  - Commission consider scheduling concurrent hearings unless both are rate cases
  - Each party's initial filing will include overview testimony of their case



# Formal Rate Case Workgroup

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- ❑ Proposals modify development and progression of the current Formal Rate Case process
- ❑ Proposals provide multiple positions on improved efficiency
- ❑ Proposals represent different outcomes
- ❑ Proposals indicate that the members do not have consensus on the positions and outcomes



# Formal Rate Case Workgroup

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- Staff members' proposal creates opportunities using a Technical Conference and a preliminary reconciliation to identify, quantify, and resolve differences and issues among the parties as soon as possible, which streamlines the process for the Commission.



# Formal Rate Case Workgroup

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- Staff members' proposal introduces a Settlement Conference as a forum for the parties to address and resolve significant issues, which will eliminate unnecessary preparation by the Commission.





# Formal Rate Case Workgroup

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- Staff members' proposal introduces a filed Pre-Trial Issue Summary and Reconciliation, which will clarify the impact (in a quantifiable summary) and enhance review of the outstanding issues by the Commission.



# Formal Rate Case Workgroup

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- Staff members' proposal introduces a requirement that the parties reference in Surrebuttal testimony all relevant arguments supporting the party's positions, which reduces the difficulty of examining the issues by the Commission.



# Formal Rate Case Workgroup

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- Ameren's proposal supports reducing the number of rounds of testimony from 6 to 3, which will enhance the process by providing a lot less testimony for review.



# Formal Rate Case Workgroup

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- Ameren's proposal supports shortening the period for processing rate cases; however, the length of time necessary to process any particular rate proceeding will depend on the number and complexity of the issues involved.



# Formal Rate Case Work Group

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- Ameren's proposal supports developing a more thorough "road map" document that will identify the contested issues and pre-filed testimony, immediately prior to the hearing, that will address those issues.



# Formal Rate Case Workgroup

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- Ameren's proposal supports pre-filing meetings, technical conferences, and settlement conferences to reduce the number of issues that ultimately go to hearing.



# Formal Rate Case Workgroup

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- Missouri Energy Group's (Intervenor) proposal supports a timeline for over-earnings complaint cases that closely follows the timeline for rate cases.



# Formal Rate Case Workgroup

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- Intervenor's proposal seeks to identify "real" issues in the case sooner and to assist with the Commission's ability to understand the value or significance of the issues at an earlier point in time.





# Formal Rate Case Workgroup

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- Intervenor's proposal seeks to provide for a better structure for settlement of issues.



# Formal Rate Case Workgroup

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- Intervenor's proposal would seek to expand the role of the utility's direct filing and require that this direct testimony is accompanied by workpapers, accounting records and necessary support, which will facilitate achieving a more efficient process.



# Formal Rate Case Workgroup

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- Intervenor's proposal seeks settlement of issues through a mediator, which will address resolution of disputes in a standard mediation format.



# Formal Rate Case Workgroup

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- Intervenor's proposal seeks to provide the parties the necessary time, within the statutory eleven months, for processing a rate case.



# Formal Rate Case Workgroup

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- Companies' proposal reduces the volume of direct testimony that is usually filed in a general rate case proceeding, which will cut down significantly on the amount of testimony that is not relevant later in the proceeding.



# Formal Rate Case Workgroup

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- Companies' proposal reduces the rounds of testimony filed in a general rate case proceeding, which makes for a more concise presentation of evidence.



# Formal Rate Case Workgroup

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- Companies' proposal seeks to fully protect the due process rights of all stakeholders in the rate making process and to promote the due process rights of parties in the discovery process, which will facilitate Staff's and Office of Public Counsel's audits and formulation of positions.



# Formal Rate Case Workgroup

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- Companies' proposal seeks to formalize a number of aspects of the process, which will narrow the range and number of procedural and substantive issues that come before the Commission.





# Formal Rate Case Workgroup

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- Companies' proposal seeks to utilize these efficiency gains in conjunction with advanced information management to shorten the period for processing rate cases in Missouri by up to three months.



# Formal Rate Case Workgroup

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- Office of Public Counsel's proposal is to retain the protection the current process provides the ratepayers and the companies, while seeking changes to the process that serve to focus the parties on achieving results in a more efficient manner.



# Formal Rate Case Workgroup

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- Office of Public Counsel's proposal is to retain the ability of all parties to present the Commission with a record that facilitates the decision-making process.



# Formal Rate Case Workgroup

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- Office of Public Counsel's proposal recognizes the significance of flexibility in the process to address changing circumstances, while minimizing regulatory lag in the regulatory process.



# Formal Rate Case Workgroup

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- Office of Public Counsel's proposal formalizes a number of aspects of the process and facilitates the format, recommendations, and timeline of the proposal presented by Staff members of the workgroup.



# Formal Rate Case Workgroup

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- A Panel of workgroup members will participate in a discussion on the Formal Rate Case process and respond in a Q & A format to inquiries regarding the proposals presented to the Roundtable.
- The workgroup is interested in your feedback regarding any implementation and evaluation of the proposals presented today.